

CLASSIFICATION ~~SECRET~~
CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT

CD NO.

DATE DISTR. 15 Feb. 1950

NO. OF PAGES 1

NO. OF ENCLS.
(LISTED BELOW)

SUPPLEMENT TO
REPORT NO.

50X1-HUM

COUNTRY Austria/USGR

SUBJECT Soviets Planning Intensive Exploitation of
USIA Plants

PLACE
ACQUIRED

DATE OF

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1. During the last three weeks it has become apparent that the Soviets plan no change in the administration of USIA, but are preparing a program of intensive exploitation of USIA plants and an increase of USIA trade the following developments in USIA policy to substantiate the foregoing statement:
 - a. USIA's surplus products are to be sold below cost price if necessary.
 - b. The production of USIA firms is to be adapted to prevailing market conditions to promote the sale of the current output.
 - c. An advertising campaign is to be continued indefinitely.
 - d. Extensive plans are being made to exhibit USIA products at international fairs, including the Poznan Fair.*
2. USIA Communist shop councilors now openly state that they anticipate no change in the USIA setup, because a state treaty is not expected before 1952.
3. The Soviets are claiming that no equipment was dismantled from USIA plants; instead they claim they have installed new equipment, valued at an estimated 25,000,000 schillings, purchased from abroad in exchange for USIA products.

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Document No. 007
No Change in Class. ☐
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Class. Changed To: TS S C
Auth. HR 70-2
Date: 12 June 78 By: ☐

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